

Written Testimony

By Tara Mastel, Manager of the Jefferson Local Development Corporation

Before the House Taxation Committee, Room 152

February 18, 2013

Chairman Miller, Members of the Taxation Committee:

I rise in opposition to House Bill 443 which limits the life of a Tax Increment Finance District to just 15 years and adds uncertainty through additional unknown "administrative" powers.

In Jefferson County, a very rural county south of Helena, we have two Tax Increment Finance Industrial Districts, established with a base year of 2009. These districts were established as a way to fund infrastructure in areas that had virtually no infrastructure – literally bare ground in areas with excellent visibility, access to transportation, suitability for industrial development and proximity to workforce.

Neither of these districts has sought bonding for any particular project, but we are poised to do so if a potential project solidifies in one of these districts. Infrastructure needs discussed by potential businesses include a rail spur, extensive new roads within the district and paving of existing roads. Right now, there is some income in each of our TIFIDs and we could likely bond to construct some or most of these infrastructure items (at least in one of our districts).

The ability to construct key infrastructure certainly would make the difference for a business considering locating in the area. And that potential provides a powerful tool, in fact one of the only tools I can count on with certainty, for securing additional jobs and tax base in my County. With TIFID, we have an invaluable tool in our toolbox to help businesses start and grow in our area. Other sources of funding in Montana are almost exclusively State or Federal grants which cannot be guaranteed and, in the case of Federal Grants, can take over a year to complete the application process.

If this bill passes, our TIFIDs will be limited in value and will not have nearly the potential that we had planned on when we invested all of the time and effort to develop them.

For these reasons, I ask that you vote no on HB 443 in order to retain one of the few reliable, locally controlled and useful economic development tools we have in Montana.

Please contact me at 406-287-3282 or tara.mastel@montana.edu for further questions or clarifications.